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## COOPERATION AS A MEANS OF REDUCING THE COST OF LIVING

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The cost of living has been thoroughly discussed in all its bearings during the past few years, both in the United States and in Europe. Our economists have studied prices from the standpoint of the purchasing power of money. They have compared wages and salaries from like standpoints.

The subject relates itself to many changes of a profound kind that have come about during the past fifty years. First, the burden of abject poverty has been greatly lessened. I think that this is true everywhere. There is much less poverty, even in London, than when Mr. Charles Booth began his great study of housing and economic conditions. The improvement is very marked since Mr. W. T. Stead wrote for the late General and Mrs. Booth that astonishing study called *In Darkest England*. That was as recently as 1890.

Although New York has received such stupendous acquisitions of a new population regarded as of low economic condition—under circumstances which might have resulted in the most fearful overcrowding ever known—there is practically no poverty in New York City that amounts to a heavy and perplexing burden. The population is entirely absorbed in productive industry and commerce. There is no “submerged tenth” in New York, nor is there a submerged one-hundredth. The general condition of the people is decidedly better than it was in New York twenty years ago.

Average conditions would seem to have been improving in all civilized countries. There has been, however, such a rapid development of instruments and facilities—such as the instrument that we call “literacy,” for example—that the multiplying of wants has been much more astonishing and rapid than the improvement of conditions. There is a far wider distribution of current intelligence than there was even when I began my work as a journalist and editor. Every news-

paper publisher realizes the fact that now practically the entire population is one of newspaper readers. This was not true even twenty-five years ago.

Changed standards of living are giving the average family more house room, with a larger amount of window space and air content per individual. The average family has better food, in larger quantity and greater variety. The average family dresses better, and the differences between the ordinary daily appearance of the rich, the well-to-do, and the poor are far less now than at previous times. There is no marked distinction between the clothing of the office boy and that of the head clerk; nor is there much between that of the head clerk and of the partners in the firm. There has been no radical increase in the cost of living as respects the items of clothing and house rent, except that people dress better, and that they are not content with the kind of housing accommodation that they could put up with forty or fifty years ago. Wants have expanded with the growth of facilities.

These remarks apply more particularly to people in cities, towns, and good-sized villages. When it comes to that great population of the United States that still lives in the country and is engaged in farming, or closely associated with farm industry, the circumstances are different. In parts of the country, farm-land values have become very high. The distress of the farmers in the western half of the Mississippi Valley that prevailed twenty years ago has disappeared. At that time agriculture was staggering under an enormous load of farm indebtedness. Thousands upon thousands of farms were foreclosed in the states immediately west of the Mississippi River. Improvement in transportation facilities, and the demand for foodstuffs, have given a steadily high value to farm products; and the new soils of those states, virgin and unexhausted, have been able to supply large quantities of wheat and Indian corn, and of pork and beef. The recent prosperity of agriculture in the western half of the Mississippi Valley has been analogous to the prosperity of western New York and Ohio in the period from 1820 to 1850.

Such prosperity is of the kind that belongs to a preliminary period. It is essentially a pioneer affair. It is more or less the sort of thing that is now being repeated in northwestern Canada. Plenty of unimproved farm land is selling at higher prices in Alberta and Saskatchewan today than fairly good improved lands in advantageous neighborhoods are selling for in central and western New York, and in

Maryland and Virginia. These northwestern prices of land are simply based upon the assumed profits of raising a few consecutive crops of wheat, that can be grown before the phosphorus and potash in the soil are too much reduced.

So far as the United States as a whole is concerned, the most serious and important economic problem is that of permanent farming. We have individual farmers here and there in almost every part of the country who are farming under normal conditions. There are also certain counties, or smaller districts, where something like a proper standard of farming may be said to prevail. But taking the farmed area of the United States as a whole, it is well within bounds to say that only a small per cent of it is farmed in such a way that the soil is not gradually losing its power to produce. I do not say this in an alarmist way, for the tide is turning and the well-farmed acreages will begin steadily to increase in percentage.

We need not only larger and better farm production for the benefit of the growing millions of industrial workers in towns and factory centers, but we also need it in order to make country life itself sufficiently interesting and worth while, so that we may be able to keep an intelligent farm population. No small factor in the situation that has affected the cost of living is the lack of good farmers, due to the dreariness and unattractiveness of farm life and to the relative agreeableness of life in towns and cities, and in other pursuits. A vast number of farmers in our southern states are still living in log houses under conditions of squalor and discomfort. Many more are living in very small or ill-constructed frame houses. Millions upon millions of acres of land that ought to be well farmed are simply squatted upon, as in the days when this was a sparsely settled country and when pioneers lived by hunting and fishing as well as farming. We must needs industrialize agriculture. Farming must be put upon a modern basis and capitalized.

In view of the facts and conditions of agricultural life, I propose to discuss more particularly in this paper the possibility of a greatly extended use of the principles and methods of coöperation in farm neighborhoods, as bearing upon the general problem of food supply and the cost of living.

Suppose, for purposes of inquiry, we were taking a typical country township, 6 miles square, containing 36 square miles, with perhaps an average of 4 farms of 160 acres each to the square mile, or 144 farms,

with 700 or 800 people in the entire township. There is an enormous waste of possibilities from every standpoint in the way in which life is carried on. There is waste in the way in which roads are laid out and maintained. There is frightful waste in the way in which schools are distributed—typically, in the average township one for every 4 square miles—9 schoolhouses for the children of a total population of less than 900. A schoolhouse, in other words, for the children of every 16 families. There is enormous waste on the side of the organization of productive rural industry. There is wasteful investment in fencing. There is wasteful investment in machinery and in animal power. Each farmer feels that he must own practically all the machines that he would be obliged to have if he were living in remote isolation.

There is great loss on the side of expert knowledge in this given township. Some men are expert in their knowledge of horses, others in their knowledge of dairy operations, others in an understanding of the soil and its constituents, others in the problems of drainage, tillage, the selection of seeds, and the whole subject of crops. Yet the expert does not serve the community. You will find in this given township of 36 square miles, perhaps, that a quarter of the area is comparatively well farmed, a quarter of it very badly farmed, and a half of it rather indifferently farmed. When it comes to the marketing of crops, there is, as a rule, most lamentable failure to manage well.

What we must hope for, in a typical township of that kind, is a general improvement of conditions. We shall undoubtedly secure that improvement, and not by any one kind of remedy. In general, the social spirit must gain something upon the anti-social spirit of extreme individualism. One can easily sit down and invent a Utopian project for the complete reconstruction of life within the typical neighborhood area that I have indicated. But practical progress must take men as they are. The 100 or 200 independent land-owning farmers in a typical rural township cannot be made over into a communistic society, or into an amalgamated joint-stock company for the production of farm products. They can, however, through good leadership and public action, give themselves far better facilities in common. That is to say, they can unite with the county and the state in an improved road scheme, by means of which they can all be much better off. They can also use the improved roads to bring their children together at a central point, and substitute a well-organized consolidated school for the nine small district schools of the township.

In this central school they can have a neighborhood assembly hall, a neighborhood library, and various educational and social appointments for the welfare of the whole population. They can also have extensive school grounds, and carry on some really useful work in the practical and experimental teaching of agriculture. They can do these things, and still others, through official or governmental co-operation. They can, in other words, be collectivists to an increasing extent, and with advantage.

On the side of voluntary association, they can unite for the purposes of mutual fire insurance; they can come together in distinct coöperative societies for developing their dairy interests and marketing milk, cream, butter and cheese. They can specialize products according to conditions of soil, climate, and market, and can unite in associations for selling fruit, vegetables, grain, or animals. I am purposely suggesting these things in the most commonplace terms. Let it be said, with equal lack of phrases or verbal embellishment, that there is on foot a movement of this kind that is spreading all over the country, and one that means healthy progress and economic and social evolution, without having any of the quality or character of a revolution.

There are many hundreds of local farmers' coöperative societies in the United States at present, the work of which is proving most beneficent. The results, as measured by actual economic tests in dollars and cents, are appreciable. But the great result must be found in a study of the social and individual character of the human units making up the association. The tendency is to make intelligence available, and to help rapidly in bringing the poor farmer up to standards of the good farmer. The problems of soil treatment, crop rotation, seed selection, animal husbandry—all these things that have to do with farm production—are exceedingly complex. In our agricultural colleges and experiment stations, and in scores of farm schools, we now have hundreds of able scientific men making researches in all these fields, and endeavoring to disseminate useful knowledge, as fast as they arrive at valuable conclusions.

Their wisdom is eagerly sought for and applied by the better trained farmers scattered here and there throughout the counties and townships of any given state. The coöperative associations of farmers, in their various neighborhoods, give a means by which the best farm practice can be made common, instead of being the sole possession of the exceptional man.

I am not trying to outline a thing that would seem on its face desirable, but to describe the thing that is. The great movement is going forward with wise direction, particularly in the northwestern states. In the state of Wisconsin, for example, there is coming about a state direction and supervision of this farmers' coöperative movement that is so intelligent and so thoroughly grounded in practical and scientific knowledge that we may reasonably expect from it great results. There is now in Wisconsin a State Board of Public Affairs, which last year was directed by the legislature to make a study of the coöperative movement. This study has been made with reference to actual conditions in Wisconsin and adjoining states, and with full cognizance of all movements in Great Britain and European countries.

Its report has been adopted by the governor of the state, and made the basis of a message to the legislature conveying an elaborate bill which has been prepared as a result of the studies of the Board of Public Affairs. The object of the bill is strongly and brilliantly stated by the governor, the Hon. Francis E. McGovern. He finds a rapid rise in the cost of living coincident with the decline in rural population. He proposes, as a partial remedy, intelligent and intensive methods of agriculture, and the employ of more economical and up-to-date ways of buying and selling the things in which farmers deal, and, finally, in improving the social life of the country.

He points out the difficulties of the farmers in spending their money. In the purchase of things needed on the farm, he declares, country people have clung to the primitive idea of each one buying for himself, although in almost every case those who supplied them were combined into great industrial trusts. Thus farmers invariably paid top prices, frequently for very inferior merchandise. He proceeds to show that the farmers have also suffered because they have paid heavy toll to the trusts in the sale of their products. Ordinarily, he says, each one disposes separately of his own cattle, grain, or potatoes, as the case may be. Thus the quantity involved in each sale is necessarily small, and classification as to quality, for purposes of standardization, is out of the question. This is but another way of saying that as a rule when the farmer needs money he throws his product upon the market at whatever price it will bring.

This message to the legislature elaborates with some detail the circumstances under which certain standard products have been bringing the farmers from one-third to one-tenth the price that consumers

in the cities not far away were obliged to pay. He finds no necessary antagonism of interest between the consumer, who wants the cost of living lowered, and the farmer, who demands higher prices for his products. High prices on the farm should mean greatly improved and increased production, with ultimate cheapening of the producing cost per unit. Improved business conditions for the farmer would mean a better kind of organized relationship between producer and consumer that would be of benefit to both. I myself have known instances within a few weeks past, where city people were paying at least 40 cents a dozen for fresh eggs, while farmers having considerable supplies to sell knew of no way to dispose of them except for 12 or 15 cents a dozen in an immediate local market. They could have been sent hundreds of miles by express at from 2 cents to 4 cents a dozen. Producer and consumer would both have been enormous gainers by an average all-around price of 25 cents a dozen, transportation cost to be equally divided.

Wisconsin's governor perceives that the adjustment of these relationships for mutual benefit may be regarded as a matter of high statesmanship. Why should it be made a question of theoretical argument about governmental functions, when it is declared that in a period of great social and economic need, affecting the well-being of the entire population, the people ought to use their own government as a directing agency? Everywhere it is now the accepted view that government ought to control and regulate conditions that affect the public health. Yet this is a principle conceded by not very many people as recently as fifty years ago. Within the memory of men now living, throughout most of the civilized world it was an uphill fight to gain acceptance for the doctrine that government might with wisdom and justice provide for universal intelligence by the maintenance of schools free for all children. We have gone so far now that the principle is generally accepted that government may even make school attendance compulsory.

One of the most ancient functions of local government was that of maintaining neighborhood markets for the distribution of food supplies. And it was the custom for peasant producers, on market days, to bring to the towns or village centers their various products and to dispose of them directly to consumers under the supervision of local authorities. We have, of course, the survival of those old customs as respects the distribution of a small fraction of the produce of market



gardens, and so on. But the primitive market system has been hopelessly outgrown. London is supplied daily not only from the entire area of the British Islands, but also from France, Denmark, Holland, and elsewhere. New York, Philadelphia, and Chicago derive much of their current food supply, their milk, vegetables, poultry, beef and mutton, from a distance of several hundred miles.

The organization of this business of producing, shipping, and marketing the fruits of the soil may well engage the best attention of the public authorities having to do with populations and areas as great as those of our individual states. It is this idea that has now taken such firm hold upon the best governing intelligence of the state of Wisconsin. It is seen there that the thing cannot be done merely by passing laws, but that it must be done by supervision and administration. Through county farmers' institutes and through great numbers of practical farm demonstrations, the states are uniting with the national Department of Agriculture in teaching the farmers how to produce more satisfactorily. It is the reasonable next step, to make the marketing of products a matter of practical statesmanship. The widespread popular interest in the study of coöperation, says Mr. McGovern, "justifies us in giving this problem our most serious consideration. But coöperation will not come of its own accord. Our own experience, and the history of this movement elsewhere, demonstrate this. There must be governmental assistance of some sort. At first this assistance will naturally take the form of education and legal authorization but it should not stop here. For some time to come the establishment of coöperative enterprises should be publicly supervised so as to avoid as many mistakes as possible. Just now the farmers of Sheboygan County are appealing to the state to help them establish coöperative associations for the marketing of cheese. The Board of Public Affairs and the University have responded as fully as their means will permit or the authority conferred upon them by law will justify. Present limitations in these respects are such that neither can go very far. But it would be cause for very great regret if for want of the right sort of assistance the people interested in this new venture should fail to organize upon the safest and soundest basis that can be devised."

The governor gives further illustrations as respects the marketing of grain and tobacco in his state. He reviews the rather haphazard inhibitions of Wisconsin statutes regarding trusts and monopolies.

He shows that these are merely prohibitory and negative. But he says the people of Wisconsin are entitled to know not only what industrial arrangements are forbidden by law, but also what contracts and associations are legally permissible or commendable. And they should be assisted in every possible way to avoid the one and promote the other.

They have in Wisconsin an industrial commission that deals with everything affecting the relation of employer and workman. They have also a railroad commission, dealing with everything that is involved in the relations of shipper and common carrier. The thing now proposed is an additional administrative board, to be called a Market Commission, dealing with the relations of producer and consumer. This new board is to have merged into it several existing commissions, offices, and bureaus, such as the Dairy and Food Commission, the Commission of Immigration, and the Board of Agriculture.

The bill transmitted to the legislature on March 17 is an elaborate one and most carefully prepared by men like Mr. McCarthy, chief of the Legislative Reference Bureau, whose familiarity with everything at home and abroad upon these questions is perhaps greater than that of any other living man. The measure has had the coöperation of the administrative authorities of the state, the economic scholars of the university, and the scientific and practical men of the College of Agriculture. The way has been so carefully prepared for it that its acceptance by the legislature is to be taken for granted.

This new board is to promote in every way the legitimate development and utilization of the resources of the state. It may, within reasonable limits, advertise Wisconsin. It may render available all such knowledge as that of the geology and soil conditions of any given area. It will protect and advise the home-seeker, and in all such matters its functions are the most highly and solicitously paternalistic. It shall give instruction and information in all possible ways on coöperative production, coöperative marketing, coöperative buying and coöperative distribution; upon efficient accounting and business methods; legal rights and privileges of coöperative enterprises; and all other matters reasonably necessary in promoting and assisting such organizations.

The statute, as I have already said, is very elaborate in its provisions in these regards. It also empowers the new board to supervise

existing city markets throughout the state and to assist in organizing and establishing new ones. A highly interesting part of the bill is that which defines, in a precise way, the practices that are to be deemed unfair and illegal. This commission is authorized and required to execute and enforce the provisions of the anti-trust laws. Here we have a direct means for protecting the farmers and other people of the state against the exactions of trusts and monopolies dealing in farm machinery, fertilizers, or other needful supplies. The people of the towns, in their capacity as consumers, are on the other hand protected against any possibly unfair exactions on the part of producers banded together in coöperative associations.

I am of opinion that we have in this Wisconsin bill the most remarkable public measure affecting both directly and indirectly the various phases of the so-called "cost of living" problem, that has ever been devised in this country. Wisconsin is the one state in the Union that is in every sense mature for this experiment. On the one hand, it has already developed the local coöperative associations until they number several hundreds and involve perhaps one-fifth of all the farmers of the state. On the other hand, this coöperative movement in Wisconsin has not been a merely voluntary affair going on without the cognizance or appreciation of the state authorities. It has had the direct help and encouragement of such agencies of the state as were in any manner empowered to be of use to it. The state is ready, therefore, for the larger and more complete experiment. It means a quickening and intensifying of agricultural production, a very much larger use of capital on business principles in farming, such as the coöperative use of tractors and large machines beyond the means of a small farmer. The opportunity is given for the individual farmer to devote himself more successfully to production, while becoming a modern business man, in association with his neighbors, through coöperative opportunities of marketing.

This kind of reorganization of rural life must obviously relate itself directly to the better organization of life in the industrial, commercial and market towns. There at once arises a clear opportunity for the rapid development of distributive coöperation in so far as the populations of towns are reasonably permanent. The vast growth of distributive coöperation in England, Scotland, and, more recently, in Denmark, Belgium, Germany, France, and Italy, is not to be regarded as of slight consequence in its bearing upon modern economic

problems. The vital thing in the economic relationships of men, as in all other relationships, is the spiritual element. Those things that make men hopeful, that stimulate intelligent and beneficial industry, that give some happiness and interest to life, are worthy of most respectful consideration.

There was a time when the trade-unionists on the one hand, and the Socialists on the other hand, sneered at the thrift and contentment of the people who had followed the Rochdale pioneers in the practice of distributive coöperation. The trade-unionists wanted men to be made happier and better by their own kind of crystallized class movement. The Socialists resented the idea that people should do as well as possible for their own welfare and comfort, while awaiting the more profound transitions of the future. They could not see that those better social arrangements toward which all wise and good people aspire can only come about as men make the best of present conditions. But they are growing wiser now, and the enormous expansion of English coöperation has gained for it a treatment different from the sneering of the Fabian socialist and the militant unionist of twenty-five or thirty years ago.

There is no possible reason why the working people of any highly capitalized industrial country should not be pragmatists enough to use trade unionism to maintain collective bargaining with the capital that employs them, for the sake of good wages and short hours. Nor is there any reason why they should not be pragmatists enough to join the local retail distributive society of coöperators. Furthermore, there is no conceivable reason why they should not be at once trade-unionists, members of coöperative distributing societies, members of coöperative home-building associations, and at the same time members of radical collectivist, or even Socialist political parties, looking to a future transformation of the state in accordance with socialistic dogma.

They begin to see things in this light in England, and particularly in several of the continental countries where Socialists and Social Democrats have formed coöperative societies, and are doing very well upon the English plan. Agricultural and distributive coöperation is a large factor in the recent transformation of Denmark, and it is proving an agency of great value in the rehabilitation of Ireland. The millions of members of local coöperative societies in England, became long ago federated in such a way as to maintain wholesale societies

existing solely to supply the "retails." These wholesale societies, in turn, have found by experience that they can best obtain their supplies of standard articles by owning their own factories and creating what they need in quantities adapted to meet their requirements.

Thus the factories owned by the wholesale coöperative societies of England and Scotland are now in several lines the very largest in the United Kingdom. These factories are not instances of productive coöperation upon the part of the workmen engaged in them. They are not owned by their own operatives, but by the wholesale distributive societies. The workmen in these factories enjoy the standard wages, hours, and conditions of trade-union men. They are presumably, on their consuming side, members of local groups of distributive coöperators. The conditions of production nowadays do not seem to favor, on any large scale, the so-called productive enterprises in coöperation.

Many years ago I made myself the exponent and historian of some interesting groups of industrial coöperators, particularly coopers, in the great flour-milling center of Minneapolis. Coopers did not require much machinery or investment of capital. These associations of journeyman coopers were remarkably successful. They took a casual form of labor, and distributed it evenly through the year, improving in every way the industrial and moral condition of their members. They lasted for a good while, and hundreds upon hundreds of men entered these shops as coöperators, remained a few years, and passed on into agricultural or other pursuits in the northwest.

The shops were for those men a school of life. Speaking in general terms, they were transformed from being careless, anti-social devil-may-care young journeymen, into being responsible intelligent citizens, with a community spirit, sobered by the fact that they were joint-owners of a factory and accountable for the execution of important contracts. Some thousands of men, during a period of years, were beneficially connected with these coöperative enterprises. What does it matter if changes in the conditions of production have superseded those guilds of coopers who were at once masters and journeymen? That form of organization was exceedingly good while it lasted, and its members passed out into other economic relationships as from the best possible kind of training-school.

The great value of the widespread coöperative enterprises of Great Britain and the continent of Europe consists, after all, in this

one thing: that they are helping some millions of families to live a happier and better life, less baffled and bewildered by modern problems, more kindly and neighborly than otherwise they would be, better fitted to meet intelligently and successfully the great changes that must come from the opposite direction in the structure of the social organism. The training that English workingmen have received through their coöperative societies prepares them for making the best use of large social-reform measures, such as the insurance and pension schemes of the general government.

In our own country, let me say in conclusion, as at the beginning of these very cursory remarks, I believe the coöperative organization of farm life to be the most crying need, and that the more rapidly it can be brought about the better will be the opportunity to bring economy and thrift into the family budgets of industrial wage-earners and people of small salaries in the towns and cities. Speaking broadly, I believe the largest factor in what is called the increased cost of living has grown out of the astounding expansion in the wants of the entire population. The luxuries of the few have become the necessities of the many. We are still facing the fact that a fundamental remedy lies in larger and cheaper production, particularly of food supplies, and no small remedy lies in the more perfect organization of distribution and exchange. I am in full sympathy with those who would look very carefully to the purchasing power of the dollar and the problem of monetary standards. Social conditions in the main are improving. That is why the situation permits a comparatively close analysis, and the application of further remedies.